



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 28, 2013

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To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support AB 385 (Dickinson).** This measure would establish the Bank on California Program within the State Department of Business Oversight to support regional program efforts to educate consumers about their banking options and how to use, manage, and save money. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that fund or provide access to financial literacy materials in community-based organizations, consumer counseling organizations, educational institutions, government, and financial institutions, **the Sacramento advocates will support AB 385.**
- **Status of County Advocacy Legislation**
 - **County-opposed AB 218 (Dickinson)** - related to disclosure of criminal history on employment applications, passed the Senate Labor and Industrial Relations Committee on June 26, 2013.
 - **County-supported AB 643 (Stone)** - related to State compliance with Federal law which provides child welfare agencies access to school records of children under their supervision, passed the Assembly on June 27, 2013 and now proceeds to the Governor.

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- **County-opposed AB 1373 (Pérez)** - related to worker's compensation death benefits, passed the Senate Labor and Industrial Relations Committee on June 26, 2013.
- **Status of Legislation of County Interest.** Updates on the status of four measures of interest to the County related to CalWORKs Program eligibility, collective bargaining for child care providers, guardianship and adoption assistance, and training in general financial management principles and laws for local government officials.

Pursuit of County Position on Legislation

AB 385 (Dickinson), which as amended on May 24, 2013, would establish the Bank on California Program within the State Department of Business Oversight (DBO) and require the Program to do the following: 1) provide support and coordination to the voluntary, public-private regional programs in California, including assistance in providing information and guidance on regulatory and other banking issues; 2) provide assistance to disseminate consumer program materials and other information; and 3) establish guidelines and best practices for programs. In addition, the measure would require participating financial institutions to provide low- or no-cost checking accounts and participate in outreach activities to promote the program to low-income communities.

Existing law provides for the formation and regulation of State-organized banks and State-certified credit unions by the Department of Financial Institutions (DFI). Current law further provides DFI the responsibility to oversee the operations of State-licensed financial institutions, including banks, credit unions, industrial banks, savings associations, and trust companies. The Bank on California initiative was launched in 2008 after the success of the original Bank on San Francisco Program. The Bank on California Program, currently located in 11 municipalities Statewide, is a voluntary, collaborative initiative that provides unbanked households access to mainstream financial products and services, including low-cost checking and savings accounts, and access to free financial education opportunities.

AB 385 would permanently house the Bank on California Program within the DBO and provide the Program statutory description and minimum requirements. Specifically, the bill would:

- Specify that regional programs would be voluntary public-private initiatives led by local government, in partnership with financial institutions and community-based organizations;

- Require participating financial institutions to follow specified requirements, including offering a low- or no-cost checking account with no monthly minimum balance requirement, and participate in outreach activities to promote the program to low-income communities;
- Support local programs by providing information and guidance on regulatory and other banking issues; provide assistance to disseminate program materials and other consumer financial information; and
- Require the Commissioner of Business Oversight, in coordination with regional programs, commencing in 2014, to provide the Legislature with a quarterly report on program usage, including the identification of geographic regions with a high density of unbanked individuals and households, and no existing program.

The Department of Consumer Affairs (DCA) indicates that AB 385, through a permanent and refined Bank on California Program, would help unbanked people learn about the benefits of keeping their money in checking and savings accounts, create more opportunities for lower-income people to enter the financial mainstream, and help consumers learn more about how to use, manage, and save money. DCA further notes this measure would help empower consumers to make informed financial decisions, and provide them access to bank products and services that will provide more value for their money.

This office and the Department of Consumer Affairs support AB 385. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals that fund or provide access to financial literacy materials in community-based organizations, consumer counseling organizations, educational institutions, government, and financial institutions, **the Sacramento advocates will support AB 385.**

AB 385 is supported by: The City and County of San Francisco; the City of Los Angeles; Bill Lockyer, California State Treasurer; California Independent Bankers; California Credit Union League; United Ways of California, among others. There is no registered opposition on file.

AB 385 is scheduled for a hearing in the Senate Appropriations Committee on July 1, 2013.

Status of County Advocacy Legislation

County-opposed AB 218 (Dickinson), which as amended on May 24, 2013, would, beginning July 1, 2014, prohibit a State or local agency from inquiring about criminal history on any initial employment application, except where otherwise required by law, passed the Senate Labor and Industrial Relations Committee by a vote of 3 to 1 on June 26, 2013. This measure is scheduled for a hearing in the Senate Judiciary Committee on July 2, 2013.

County-supported AB 643 (Stone), which as amended on June 19, 2013, would continue to make various changes to pupil record provisions under State law to conform to Federal law pursuant to **County-supported S. 3472**, the Uninterrupted Scholars Act of 2013, that amends the Family Educational Rights and Privacy Act to provide child welfare agencies access to school records of children under their supervision. AB 643 passed the Assembly Floor by a vote of 78 to 0 on June 27, 2013 with concurrence of Senate amendments which are primarily technical in nature. This measure now proceeds to the Governor.

County-opposed AB 1373 (Pérez), which as introduced on February 22, 2013, would extend the statute of limitations on filing a death benefits claim for a firefighter or peace officer who dies of specified presumptive work-related illness, passed the Senate Labor and Industrial Relations Committee by a vote of 4 to 0 on June 26, 2013. This measure now proceeds to the Senate Appropriations Committee.

Status of Legislation of County Interest

AB 271 (Mitchell), which as amended on May 24, 2013, would, among other provisions: 1) repeal the Maximum Family Grant (MFG) rule under the CalWORKs Program which prohibits CalWORKs aid payments, with certain exceptions, for a child that is born into a family that has been receiving aid for 10 or more continuous months; and 2) specify that no increased benefit will be paid for any month prior to January 1, 2014, as a result of the repeal of the MFG rule, passed the Senate Human Services Committee by a vote of 4 to 2 on June 25, 2013. This measure now proceeds to the Senate Appropriations Committee.

This office is working with the Department of Public Social Services to determine any potential impact on the County of this legislation.

AB 641 (Rendon), which as amended on June 17 2013, would authorize family child care providers and license-exempt child care providers the right to choose a representative to collectively negotiate the terms and conditions of employment with the State over the

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operation of the child care system, passed the Senate Labor and Industrial Relations Committee by a vote of 3 to 1 on June 26, 2013. This measure now proceeds to the Senate Appropriations Committee.

AB 985 (Cooper), which as amended on May 24, 2013, would, among other provisions, permit a youth who reaches adulthood while receiving assistance under the Federal or State Kinship Guardianship Assistance Payment Program (Kin-GAP), and who entered the program prior to reaching the age of 16, to remain in or enroll in the State-funded program until age 21, if the youth meets the conditions for extended benefits, passed the Senate Human Services Committee by a vote of 6 to 0 on June 25, 2013. This measure now proceeds to the Senate Appropriations Committee.

This office is working with the Department of Children and Family Services to determine any potential impact on the County of this legislation.

AB 1235 (Gordon), which as amended on May 24, 2013, would require members of a local agency governing body, members of any local legislative body created by State or Federal statute, and any elected local agency officials to receive training in general financial management principles and laws relevant to his or her public service once per term of office, passed the Senate Governance and Finance Committee by a vote of 4 to 2 on June 26, 2013. This measure now proceeds to the Senate Appropriations Committee.

The Executive Office of the Board notes that 25 County legislative bodies, such as committees, boards, and commissions, fall within the bill's inclusion of local bodies created by State or Federal statute. AB 1235 would mandate financial management training for the more than 500 members of these entities. In addition, County officials serve on 74 other countywide legislative bodies, totaling over 550 members, which are staffed by separate agencies.

This office is working with the Executive Office of the Board to determine potential fiscal impact of this unfunded mandate.

We will continue to keep you advised.

WTF:RA
MR:OR:PC:ma

c: All Department Heads
Legislative Strategist